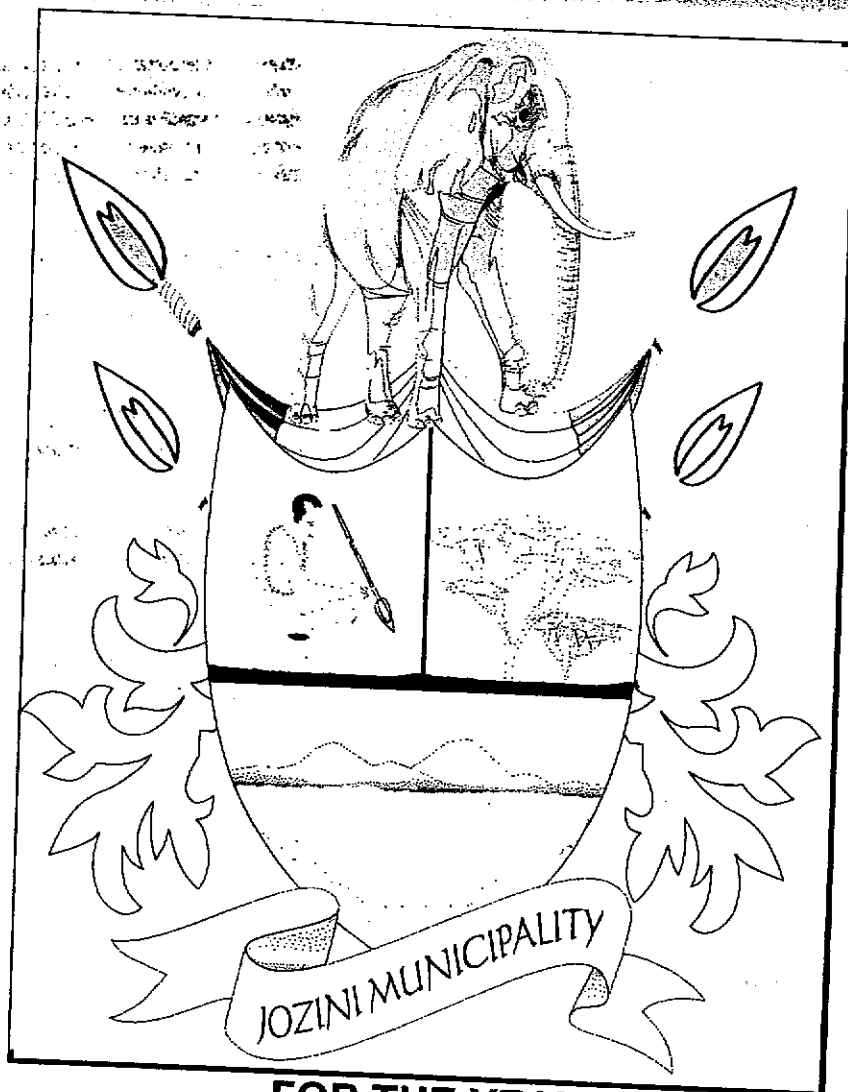


**JOZINI MUNICIPALITY
UNAUDITED
ANNUAL FINANCIAL STATEMENTS**



**FOR THE YEAR
ENDING 30 JUNE 2006**

GENERAL INFORMATION

2

MEMBERS OF THE EXECUTIVE COMMITTEE

1. Cllr. T.P. Mthethwa
2. Cllr. J. Siyaya
3. Cllr. H.M. Myeni
4. Cllr. P.J. Mabuyakhulu
5. Cllr. L.V. Khumalo
6. Cllr. P.R. Mngomezulu
7. Cllr. D.P. Mabika

Her Worship - The Mayor
Deputy Mayor
Speaker
Exco Member
Exco Member
Exco Member
Exco Member

SPEAKER OF COUNCIL

Cllr. P.J. Mabuyakhulu

Total number of councillors:

33

GRADING OF THE LOCAL MUNICIPALITY

Grade 2

(As per councillor remuneration grading)

AUDITORS

The Auditor-General

BANKERS

First National Bank of South Africa

REGISTERED OFFICE

Circle Street, Bottom Town
Jozini
3969

Private Bag x 028
Jozini
3969

Telephone (035) 572 1282
Fax (035) 572 1266

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 26 were approved by the Municipal Manager on 2006 and presented to and approved by Council on 2006

MUNICIPAL MANAGER

NN Nkosi (effective 01 December 2001)

Matric, Executive Leadership Development Programme - Municipal Manager's Certificate
(School of Public Administration and Development Management, UKZN)

CHIEF FINANCIAL OFFICER

TV Mdluli (effective 01 July 2002)

Matric, NS Financial Management, Executive Leadership Development Programme - Municipal Manager's Certificate
(School of Public Administration and Development Management, UKZN)

REPORT FROM THE AUDITOR-GENERAL

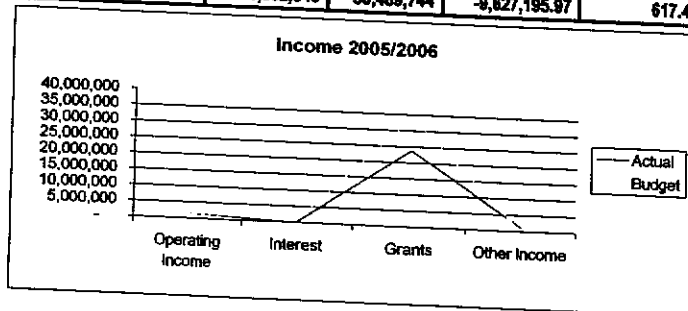
4

The financial statements have not yet been audited.
Will be included once received after audit.

2. INCOME

Details of income per department and classification are included in appendix D.

| | Actual 2006 | Budget 2006 | 2006 Variance Amount | 2006 Variance % |
|------------------|----------------|----------------|----------------------------|-----------------------|
| Operating Income | 1,668,616 | 1,757,112 | -88,496.13 | -5.0% |
| Interest | 107,868 | 527,500 | -419,631.79 | -79.6% |
| Grants | 23,755,272 | 34,045,230 | -10,289,958.00 | -30.2% |
| Other Income | 1,330,792 | 159,902 | 1,170,889.95 | 732.3% |
| | 26,862,548 | 36,489,744 | -9,627,195.97 | 617.4% |



2.1 Grants and Subsidies

Equitable share is shown as operational grant; and MAP, MFMA, Inter-departmental monitoring, Anti-Corruption, Property Rates' Library grants has been received and remaining funds will be transferred to funds.

(See Appendix A and D for more information)

2.2 Operating Income

| Actual 2006 | Budget 2006 |
|----------------|----------------|
| 1,668,616 | 1,757,112 |

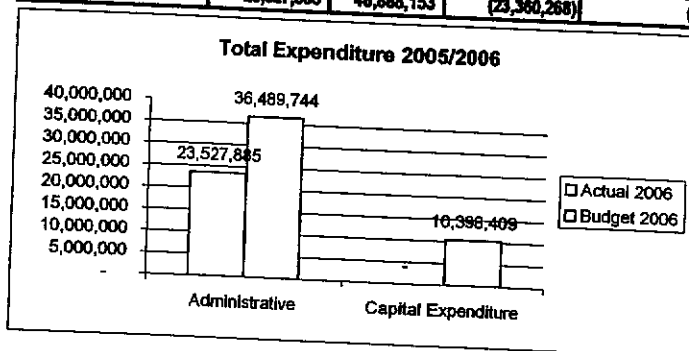
(Refer to Appendix D for more details).

3. EXPENDITURE

3.1 Total Expenditure

Details of income department and classification are included in appendix D.

| | Actual 2006 | Budget 2006 | 2006 Variance Amount | 2006 Variance % |
|---------------------|----------------|----------------|----------------------------|-----------------------|
| Administrative | 23,527,885 | 36,489,744 | (12,961,859) | -35.52% |
| Capital Expenditure | - | 10,398,409 | (10,398,409) | -100.00% |
| Total | 23,527,885 | 46,888,153 | (23,360,268) | (1) |



4. CAPITAL EXPENDITURE (FIXED ASSETS)

8

The expenditure on fixed assets incurred during the year amounted to R 4 276 486.12 which consisted mainly of Plant & Equipment, Furniture & Fittings and Computers.

Details are reflected in Appendix C

Resources used to finance the fixed assets were as follows:

Contributions from operating income

Grants & Subsidies

| |
|---|
| - |
| - |

Refer to 3.1 for comments on total expenditure.

5. EXTERNAL LOANS, INVESTMENTS AND CASH

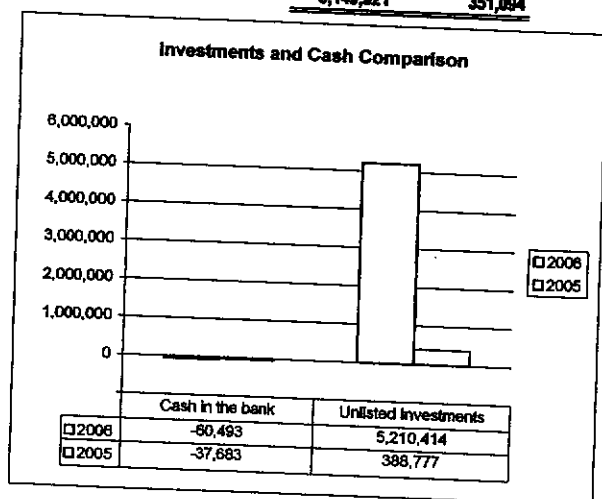
5.1 External loans

No external loans were taken up for the municipal functions during the period and none were transferred from Umkhanyakude District and Jozini. Details of external loans are included in appendix A.

5.2 Investments and Cash

All available cash was held in Council's Bank account at 30 June 2005 amounting to (refer to notes 7 and 20 for more details):

| | 2006 | 2005 |
|----------------------|------------------|----------------|
| Cash in the bank | | |
| Unlisted Investments | 5,210,414 | 388,777 |
| | <u>5,149,921</u> | <u>351,094</u> |



A million rand withdrawal from investments was made this current financial year. Interest received from current account and investment account amounted to R 4501552.00 for the current financial year.

5.2 Public Improvement Fund

11

The Public Improvement Fund provides for the future township development. All developments costs as defined in section 103 (3) (d) of the Local Government Ordinance, Natal, No. 25 of 1974, are debited against the fund. All proceeds from sale of developed land are credited as income for the fund.

5.3 Leave Provision

A provision equal to the actual leave credit as at 30 June 2005 is maintained to provide for leave payments on request. Contributions are made from the operating account.

5.4 Bad Debt Provision

A provision equal to the anticipated risk as at 30 June 2005 is maintained to provide for bad debts. Contributions are made from the applicable accumulated account based on outstanding debtors more than ninety days.

5.5 Working Reserves

Some funds are reserved for the unexpected variation of working capital.

6 RETIREMENT BENEFITS

Jozini Municipality and its employees contribute to the Natal Joint Municipal Pension Fund or the KwaZulu-Natal Joint Municipal Provident Fund which provides retirement benefits to such employees. The retirement benefit plan is subject to the rules and regulations prescribed by the Local Government Superannuation Ordinance, 1973 (Ordinance No. 24 of 1973) and in accordance with the requirements of the Pensions Fund Act, 1956. Current contributions are charged against operating income on the basis of current service costs.

7 LEASED ASSETS

Leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

8 INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested in securities as prescribed by section 125 of the Local Authorities Ordinance, 1974 (Ordinance No. 25 of 1974) and section 10G(9) of the Local Government Transition Act, 1993 (Act No. 209 of 1993).

9 INCOME RECOGNITION

9.1 Assessment Rates

Assessment Rates are levied on land and improvement value of property at a differential rate. Rebates are granted according to the use to which a particular property is put to.

9.2 Water Billings.

Meters are read and billed monthly. This is done on behalf of the Umkhanyakude district Municipality as per the latest powers and functions.

10 SURPLUSES AND DEFICITS

The Unappropriated Surplus is maintained as an Operating cash reserve, to fund expenditure during the financial year, prior to the collection of revenue. It may also be utilized to fund projects that the council may deem necessary to fund.

JOZINI MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2006

| | Notes | 2006 R | 2005 R |
|---|-------|------------------|------------------|
| CAPITAL EMPLOYED | | | |
| FUNDS AND RESERVES | | | |
| Statutory Funds | 1 | 1,749,318 | 1,340,971 |
| Reserves | 2 | 1,705,919 | 1,340,971 |
| | | 43,399 | - |
| ACCUMULATED SURPLUS/(DEFICIT) | 15 | 257,335 | 1,129,382 |
| TRUST FUNDS | 3 | 5,673,603 | -992,207 |
| LONG-TERM LIABILITIES | 4 | - | - |
| Deposits | | - | - |
| | | <u>7,680,256</u> | <u>1,478,147</u> |
| EMPLOYMENT OF CAPITAL | | | |
| FIXED ASSETS | 5 | - | - |
| LONG TERM DEBTORS | 6 | - | - |
| INVESTMENTS | 7 | 5,210,414 | 388,777 |
| NET CURRENT ASSETS / (LIABILITIES) | | 2,469,843 | 1,089,370 |
| CURRENT ASSETS | | 3,973,800 | 4,484,675 |
| Inventory | | - | - |
| Debtors | 8 | 4,034,292 | 4,484,674 |
| Cash resources | 20 | -60,493 | - |
| Short-term portion of long term debtors | 8 | - | - |
| CURRENT LIABILITIES | | 1,503,957 | 3,395,305 |
| Provisions | 9 | 384,894 | 555,632 |
| Creditors | 10 | 1,119,063 | 2,801,990 |
| Short-term portion of long term creditors | 4 | - | - |
| Bank Overdraft | 20 | - | 37,683 |
| | | <u>7,680,256</u> | <u>1,478,147</u> |

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

| | Note | 2006 R | 2005 |
|--|------|--------------------|---------------------|
| CASH RETAINED FROM OPERATING ACTIVITIES | | | |
| Cash generated by operations | | (437,817) | 13,541,493 |
| Investment Income | 16 | (29,991,813) | (5,945,333) |
| Increase in working capital | 14 | 107,868 | 514,162 |
| | 17 | (1,403,283) | (1,299,116) |
| | | (31,287,228) | (6,730,287) |
| Less: External interest paid | | | |
| Cash utilized by operations | 14 | - | - |
| Operational Grants | | (31,287,228) | (6,730,287) |
| Proceeds on disposal of fixed assets | | 23,755,272 | 15,987,946 |
| Contributions from Public or Government | | | - |
| | | 7,094,139 | 4,283,834 |
| CASH UTILIZED IN INVESTING ACTIVITIES | | | |
| | | (4,276,348) | (839,266) |
| Investment in Fixed Assets | | (4,276,348) | (839,266) |
| NET CASH FLOW | | | |
| | | <u>(4,714,165)</u> | <u>12,702,227</u> |
| CASH EFFECTS OF FINANCING ACTIVITIES | | | |
| Increase/ (Decrease) in long-term Loans | 18 | - | - |
| Increase/ (Decrease) in Cash Investments | 19 | 4,912,317 | (13,457,121) |
| Increase/ (Decrease) in Deposits | 6 | - | - |
| Increase/ (Decrease) in Cash | 20 | 22,810 | 754,893 |
| NET CASH GENERATED | | | |
| | | <u>4,935,127</u> | <u>(12,702,228)</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|---|-------------------|------------------|
| 5. FIXED ASSETS | | |
| Fixed assets at the beginning of the year | | |
| Capital expenditure during the year | 17,287,397 | 16,134,023 |
| Less: Assets written off, transferred or disposed of during the year | 1,481,680 | 839,266 |
| Total fixed assets | 0 | 0 |
| Less: Loans redeemed and other capital receipts | 18,769,078 | 16,973,289 |
| Net fixed assets | 21,249,636 | 16,973,289 |
| (Refer to appendix "C" and section 2 of the Treasurers Report for more details on fixed assets) | <u>-2,480,559</u> | <u>0</u> |
| 6. LONG TERM DEBTORS | | |
| Deposits | | |
| Less: Short term portion of long term debtors transferred to current assets | 0 | 0 |
| | 0 | 0 |
| 7. INVESTMENTS | | |
| Unlisted: | | |
| FNB Call Account 62064734679 | | |
| FNB Call Account 62064733746 | 910,327 | 388,777 |
| FNB Call Account 62054059516 | 1,590,032 | |
| Absa | 1,710,054 | |
| Total investments | 1,000,000 | |
| | <u>5,210,414</u> | <u>388,777</u> |
| Managements' valuation of unlisted investments. | <u>5,210,414</u> | <u>388,777</u> |
| 8. DEBTORS | | |
| RATES DEBTORS | | |
| CONSERVANCY DEBTOR | 1 | 2,700,332 |
| REFUSE DEBTORS CONTROL ACCOUNT | 2 | 0 |
| LEGAL COST DEBTORS | 3 | 920,735 |
| MISC DEBTORS | 4 | 14,303 |
| NOT USED | 5 | 2,928 |
| WATER DEBTORS | 6 | -184 |
| STAFF DEBTORS | 7 | 126 |
| M NDLOVU - DEPT OF HOUSING | 8 | -6,701 |
| PURCHASE OF SITES - INGWAVUMA | 9 | 171,850 |
| BP NTSHANGASE | 10 | -114,527 |
| TT DLADLA | 11 | 22,112 |
| JA MINGOMEZULU | 12 | 160 |
| NE DLAMINI | 13 | 2,391 |
| PH NXUMALO | 14 | 2,844 |
| SM NDLOVU | 15 | 2,498 |
| PH NXUMALO | 16 | -20 |
| NH MYUMBU | 17 | -180 |
| NC MAGAZI | 18 | 583 |
| NP DLUDLU | 19 | 563 |
| PM MYENI | 20 | 0 |
| NP MATHENJWA | 21 | -20 |
| PN MINGOMEZULU | 22 | 323 |
| DC 27 OFFICE RENT MKUZE | 23 | -20 |
| INGWAVUMA CORRECTION SERVICES | 24 | 0 |
| SW MADLOPHA | 25 | 10,150 |
| CHRISTMAS PARTY | 26 | 7,000 |
| BP NTSHANGASE - RENT | 27 | 8,720 |
| MC MTHEMBU - RENT | 28 | 2,774.39 |
| BO MATHENJWA - RENT | 29 | 1,466.71 |
| TV MDLULI | 30 | 2,153.42 |
| LR NDLAZI | 31 | 83.31 |
| UMKHANYAKUDE YEAR END BALANCES | 32 | 500.00 |
| Umkhanyakude District Municipality | 33 | 728,735 |
| Value Added Tax | | 110,917 |
| Other debtors | | 255 |
| | 9000 | 9,000 |
| Less: Provisions for bad Debts | 4,598,651 | 5,050,033 |
| | <u>565,359</u> | <u>565,359</u> |
| | <u>4,034,292</u> | <u>4,484,674</u> |

JOZINI MUNICIPALITY
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2006

18

14. FINANCE TRANSACTIONS

Total external interest earned/(paid):
Interest earned
Interest paid

Capital Charges debited to operating account:
Interest: External
Internal
Redemption: External
Internal

2006
R

2005
R

| | |
|----------------|----------------|
| 107,868 | 514,162 |
| 0 | 0 |
| <u>107,868</u> | <u>514,162</u> |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| <u>0</u> | <u>0</u> |

15. ACCUMULATED SURPLUS/(DEFICIT)

Net Appropriation account
Accumulated surplus/(deficit) at the beginning of the year
Operating surplus for the period

Appropriations for the year
Prior Year adjustments

Accumulated surplus/(deficit) at the end of the period

Operating account

Capital expenditure

Contributions to:

- Provisions
- Reserves
- Trust Funds
- Capital Development Fund
- Leave

1,129,383

2,058,526

3,392,107

-86,130

0

-841,014

-4,264,155

1,129,382

257,335

4,276,348

839,266

6,993,803

4,452,408

0

337,146

7,619,900

3,680,458

0

0

-653,294

66,231

27,197

168,573

11,270,151

5,291,674

16. CASH GENERATED BY OPERATIONS

Net surplus (deficit) for the year

Adjustment for:

Appropriations for previous year

Appropriations charged against income

Capital Development fund

Provisions

Reserves

Fixed Assets

Capital Charges

- Interest Paid
- Internal Funds
- External Loans
- Redemption
- Internal Advances
- External Loans

Grants and Subsidies received from the State
Investment Income (Operating Account)

3,392,107

-86,130

0

-841,014

3,650,251

1,074,070

-653,294

66,231

27,197

168,573

4,276,348

0

0

0

-23,755,272

-15,987,946

-514,162

(INCREASE/ DECREASE IN CASH ON HAND (Continued))

| | 2006 R | 2005 R |
|--|----------------|------------------|
| Call Accounts | | |
| First National Bank - Mkuze Branch | | |
| Cash book balance | | |
| Bank statement Balance | 298,095 | 298,095 |
| | <u>298,095</u> | <u>298,095</u> |
| First National Bank - Mkuze Branch | | |
| Cash book balance | | |
| Bank statement Balance | 1,054 | 1,054 |
| | <u>1,054</u> | <u>1,054</u> |
| First National Bank - Mkuze Branch | | |
| Cash book balance | | |
| Bank statement Balance | 89,627 | 89,627 |
| | <u>89,627</u> | <u>89,627</u> |
| 21. CAPITAL DEVELOPMENT FUND | | |
| Accumulated Funds (Appendix A) | | |
| Less: Internal Investment to Borrowing Services (Appendix B) | 551,554 | 1,204,849 |
| Balance available for External Investment | <u>0</u> | <u>0</u> |
| | <u>551,554</u> | <u>1,204,849</u> |
| 22. PUBLIC IMPROVEMENT FUND | | |
| Accumulated Funds (Appendix A) | | |
| Less: Internal Investment to Borrowing Services (Appendix B) | 129,780 | 136,121 |
| Less: Funds Invested in fixed assets (Appendix C) | 0 | 0 |
| Balance available for External Investment | <u>0</u> | <u>0</u> |
| | <u>129,780</u> | <u>136,121</u> |
| 23. RETIREMENT BENEFITS | | |

Employees belong to the following funds within the Natal Joint Municipal Pension/Provident Funds which provide retirement benefits to such employees. This is a compulsory benefit.

- (i) Natal Joint Municipal Pension Fund (retirement)
- (ii) Natal Joint Municipal Pension Fund (superannuation)
- (iii) Natal Joint Municipal Pension Fund (provident)
- (iv) Municipal Councillors Pension Fund

The retirement plan is subject to the Pension Fund Act 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs.

Full actuarial valuation are performed at least every three years. The latest independent valuation of the funds, which indicated that the funds were in a sound financial position, was undertaken on 31 March 1998.

APPENDIX A

STATUTORY FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS

| | Balance at 01/7/2005 R | Contributions during the year R | Interest on investment R | Operating expenditure during the year R | Capital expenditure during the year R | Balance at 31/06/2006 R |
|--|------------------------------|--|-----------------------------------|---|---|-------------------------------|
| STATUTORY FUNDS | | | | | | |
| Consolidated Capital Development Fund | 1,204,849 | (653,294) | - | - | - | 551,554 |
| Public Improvement Funds | 129,780 | - | - | - | - | 129,780 |
| PIF Advances | 6,342 | - | - | - | - | 6,342 |
| | 1,334,628 | (653,294) | - | - | - | 681,334 |
| TRUST FUNDS | | | | | | |
| Establishment Grant | (494,229) | - | - | (67,714) | - | (561,943) |
| Free Basic Water | - | - | - | - | - | - |
| IDP | 141,923 | 50,000 | - | (49,977) | - | 141,946 |
| Communication | 27,548 | - | - | (15,071) | - | 12,477 |
| Roads | (3,850,580) | - | - | - | - | (3,850,580) |
| Development Planning capacity building | 109,871 | 100,000 | - | - | - | 209,871 |
| Lums Grant | 93,828 | 211,200 | - | (141,200) | - | 163,828 |
| HR / Fin Grant | - | - | - | - | - | - |
| LED Grant | - | - | - | - | - | - |
| LGWSETA | 745 | 65,908 | - | - | - | 66,654 |
| Library Grant | 1,385,310 | - | - | - | (1,083,758) | 301,552 |
| GIS | 71,559 | - | - | - | - | 71,559 |
| Performance Management System | (127,915) | - | - | - | - | (127,915) |
| Finance Management Grant | 788,758 | - | - | (362,901) | - | 425,857 |
| Capacity Building Grant | - | - | - | - | - | - |
| Sports Commission | 4,120 | - | - | - | - | 4,120 |
| MAP | 500,000 | 804,086 | - | (4,000) | - | 1,299,086 |
| Interdepartmental Monitoring | 60,000 | 40,000 | - | (461,254) | - | 84,746 |
| MFMA | 37,838 | 100,000 | - | (14,600) | - | 123,238 |
| Property Rates | 63,125 | 170,000 | - | (7,262) | - | 225,863 |
| Anti-Corruption | 134,000 | - | - | - | - | 134,000 |
| MSIG | - | 734,000 | - | - | - | 734,000 |
| Housing | 61,892 | - | - | - | - | 61,892 |
| Project Consolidate | - | 4,524,705 | - | - | - | 4,524,705 |
| CDW's Grant | - | 168,000 | - | (57,734) | (3,666,624) | (3,556,358) |
| Municipal Dev. Infrastructure services | - | 150,000 | - | - | - | 150,000 |
| Municipal Performance Management | - | 40,000 | - | - | - | 40,000 |
| Spetail Planning | - | 50,000 | - | - | - | 50,000 |
| Development Planning capacity building | - | 100,000 | - | - | - | 100,000 |
| Municipal Infrastructure Investment | - | 312,000 | - | - | - | 312,000 |
| | (992,206) | 7,619,900 | - | (1,181,712) | (4,750,382) | 695,600 |
| PROVISIONS | | | | | | |
| Accounting & Audit Fees | - | - | - | - | - | - |
| Leave | 555,632 | - | - | (170,738) | - | 384,894 |
| Bad Debts | - | - | - | - | - | - |
| | 555,632 | - | - | (170,738) | - | 384,894 |
| RESERVES | | | | | | |
| Emergency Relief Fund | - | - | - | - | - | - |
| Micro Dams | - | 127,534 | - | - | (84,135) | 43,399 |
| | - | 127,534 | - | - | (84,135) | 43,399 |
| TOTAL | 898,054 | 7,094,140 | - | (1,352,450) | (4,834,517) | 1,805,227 |

JOZINI MUNICIPALITY

24

ANALYSIS OF FIXED ASSETS

| EXPENDITURE 2003 | SERVICE | BUDGET 2005/2006 | BALANCE AT 1 JULY 2005 | EXPENDITURE 2005 & 2006 | REDEEMED, TRANSFERRED OR WRITTEN OFF | BALANCE AT 30 JUNE 2006 |
|------------------|--|------------------|------------------------|-------------------------|--------------------------------------|-------------------------|
| R | | R | R | R | R | R |
| 1,254,818 | RATES AND GENERAL SERVICES | | | | | |
| 690,735 | Land & Buildings | 331,199 | 2,025,819 | 1,153,374 | | |
| 105,913 | Furniture & Fittings | 115,000 | 2,733,886 | 524,002 | | |
| 109,052 | Computers | 111,999 | 513,833 | 102,483 | | |
| 219,347 | Plant & Equipment | 460,000 | 500,623 | 15,930 | | |
| 129,769 | Motor Vehicles | 300,000 | 567,550 | 2,183,534 | | |
| - | Roads & Streets | | 8,649,997 | 297,025 | | |
| - | Parks & Recreations | | 264,944 | | | |
| - | Grounds & Fences | | 11,839 | | | |
| - | Stormwater & Drains | | 1,448,033 | | | |
| 1 | Library | | 6,612 | | | |
| - | Miscellaneous | | 175,642 | | | |
| - | Street lights & flood light | 540,000 | | | | |
| - | ECONOMICS SERVICES | | | | | |
| - | Refuse site | | 74,508 | | | |
| - | Sewerage works | | | | | |
| 15,816 | TRADING SERVICE | | | | | |
| - | Electricity | | | | | |
| 15,816 | Water | | | | | |
| 1,270,635 | TOTAL FIXED ASSETS | | | | | |
| - | ACCUMULATED DEPRECIATION | | | | | |
| 1,270,635 | NETT FIXED ASSETS | | | | | |
| - | LESS: | | | | | |
| 1,270,635 | LOANS REDEEMED AND OTHER CAPITAL RECEIPTS | | | | | |
| 1,270,635 | RATE & GENERAL SERVICES | | | | | |
| 189,035 | Loans redeemed & Advances repaid | 278,198 | 604,024 | - | | |
| 1,081,600 | Contributions ex Operating income | 1,580,000 | 35,745 | - | | |
| - | Contributions ex Grants & Subsidies | | 16,333,519 | 4,276,348 | | |
| - | TRADING SERVICES | | | | | |
| - | Electricity: | | | | | |
| - | Contributions ex Operating Income | | | | | |
| - | Contributions ex Grant & Subsidies | | | | | |
| - | Water: | | | | | |
| 0 | Loans redeemed | | | | | |
| - | Contributions ex Operating Income | | | | | |
| - | Contributions ex Grant & Subsidies | | | | | |
| 0 | NET FIXED ASSETS | | | | | |

APPENDIX E : DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

APPENDIX E : DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

| 2006 Actual Income R | 2006 Actual expenditure R | 2006 Surplus/ (deficit) R |
|-------------------------------|------------------------------------|------------------------------------|
| 22,104,921 | 20,800,403 | 1,304,518 |
| 22,104,921 | 20,800,403 | 1,304,518 |
| 1,207,746 | 0 | 1,207,746 |
| 0 | 2,036,674 | -2,036,674 |
| 3,880,458 | 7,084,254 | -3,203,796 |
| 957,013 | 2,369,366 | -1,412,353 |
| 72,600 | 745,325 | -672,725 |
| 15,987,105 | 2,258,892 | 13,728,414 |
| 0 | 3,770,668 | -3,770,668 |
| 0 | 185,802 | -185,802 |
| 0 | 2,349,622 | -2,349,622 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 338,785 | 486,983 | -148,198 |
| 0 | 0 | 0 |
| 338,785 | 486,983 | -148,198 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 22,443,707 | 21,287,386 | 1,156,321 |
| | | 23,357 |
| | | 1,179,578 |
| | | 8,386,402 |
| | | 9,566,060 |

| | 2006 Actual Income R | 2006 Actual expenditure R | 2006 Surplus/ (deficit) R | 2006 Budget Surplus/ (deficit) R |
|--|-------------------------------|------------------------------------|------------------------------------|---|
| RATES & GENERAL | 28,919,983 | 23,478,647 | 3,441,346 | 1,712,819 |
| COMMUNITY SERVICES | 28,919,983 | 23,478,647 | 3,441,346 | 1,712,819 |
| Assessment rates | 566,332 | 0 | 566,332 | 847,309 |
| Corporate Services | 0 | 2,774,085 | -2,774,085 | -4,225,843 |
| Council General Expenses | 23,757,772 | 9,897,957 | 14,059,815 | -4,806,867 |
| Financial Services | 1,877,991 | 2,904,442 | -1,026,450 | -2,472,938 |
| Health & Refuse | 795,081 | 2,770,080 | -1,974,999 | -742,450 |
| Management | 0 | 0 | 0 | 18,984,904 |
| Planning & Development | 57,448 | 3,752,426 | -3,694,978 | -5,188,574 |
| Public Safety | 0 | 182,466 | -182,466 | -582,722 |
| Waste Management | -134,632 | 1,397,191 | -1,531,824 | 0 |
| Parks & Gardens | 0 | 0 | 0 | 0 |
| SUBSIDISED SERVICES | 0 | 49,239 | -49,239 | 0 |
| Library | 0 | 49,239 | -49,239 | 0 |
| ECONOMIC SERVICES | 0 | 0 | 0 | 0 |
| Sewerage Conservancy | 0 | 0 | 0 | 0 |
| Health & Refuse | 0 | 0 | 0 | 0 |
| TRADING SERVICES | 0 | 0 | 0 | 0 |
| Water | 0 | 0 | 0 | 0 |
| Electricity | 0 | 0 | 0 | 0 |
| TOTAL | 28,919,983 | 23,527,886 | 3,392,107 | 1,712,819 |
| Appropriations for this year (refer to note) | | | -4,264,155 | |
| Net deficit for the year | | | -872,048 | |
| Accumulated surplus/(deficit) beginning of the year | | | 1,129,383 | |
| Accumulated surplus end of year | | | 257,335 | |

2. Valuations

Rateable Property:

Non Rateable Property:

Residential Property:

Commercial Property:

Assessment Rates:

| Town | Resident | Commercial | up to 1000m2 | +1000m2 |
|-----------|----------|------------|--------------|---------|
| Mkuze: | 10.98 | 10.98 | | |
| uBombo | | | 180.00 | 0.30 |
| Ingwavuma | | | 180.00 | 0.30 |